

**Office of Economic Development
Economic Development Advisory Board
MEETING MINUTES**

Date: January 5, 2010: **Time:** 7:30 A.M.

MEMBERS PRESENT

Rich Adams
Terry Benelli
Jared Langkilde
Jim LeCheminant
Steve Parker
Jo Wilson
Steve Wood

EX-OFFICIO

Mayor Scott Smith (excused)
Chris Brady (excused)
Brian Campbell (excused)
Jeff Crockett (excused)
Charlie Deaton
Steve Shope

STAFF PRESENT

Betsy Adams
Shelly Allen
William Jabjiniak
Shea Joachim
Natalie Lewis
Scot Rigby

MEMBERS ABSENT

Christian Alder
Jeff Pitcher

GUESTS

None

1. Chair's Call To Order

Chair Jim LeCheminant called the January 5, 2010 meeting of the Economic Development Advisory Board to order at 7:34 A.M. at the City of Mesa Council Chambers, Lower Level, 57 E. 1st Street, Mesa, AZ 85201.

2. Items from Citizens Present

None

3. Approval of Minutes from December 1, 2009 board meeting.

Chair LeCheminant called for a motion to approve the minutes from the meeting held on December 1, 2009.

MOTION: Terry Benelli moved that the minutes from December 1, 2009 be approved as written.

SECOND: Jo Wilson

DECISION: Passed unanimously.

4. Strategic Initiatives Council and Economic Development

Ms. Shelly Allen gave a brief background on the status of updating the Strategic Plan for the Economic Development. The staff has been working on updating the plan and a draft has been completed. As the plan for Economic Development has been developed strict attention has been paid to ensure the goals and objectives for the upcoming year tie in

with the Council Strategic Initiatives. The Plan is to have a draft to the Board in February or March. Then we would like to meet with all the Sub-committees in order for them to provide feedback. The feedback would then be compiled into the Strategic Plan and then a final draft will be presented to the full Board in either March or April.

Ms. Natalie Lewis, Assistant to the City manager, thanked the Board members for the important role they play along with their time and energy. The Boards are greatly appreciated by the Mayor, City Manager and the City Council.

Ms. Lewis explained that in June of 2008 a new Mayor and 4 (four) new City Council members were elected. In September 2008 a council workshop was conducted over the Labor Day weekend to help orient new council members and to talk about what it means to be a high performing governing body. The Council wanted to make sure they were hitting the hard issues head-on and were identifying the issues. One of the things they felt is very important is the effective relationship with staff and being clear on vision and goals. What the staff asked of them was to be very clear about what the vision and main priorities are for the city.

The Council created 5 (five) strategic initiatives as follows:

- **Economic Development** that is innovative and business friendly and that includes a variety of strategic tools, redevelopment of older and vacant areas, and a focus on the downtown.
- **Quality of Life** for citizens of Mesa that includes safe and clean neighborhoods and parks, cultural and arts amenities, and excellent educational opportunities; all of which should be sustainable and environmentally responsible.
- **Community Engagement** to build pride in our city and to encourage a wide range of civic leadership. This includes the involvement of neighborhoods, non-profit and faith-based organizations, and direct communications with citizens.
- **Financial Stability** that provides proactive leadership and considers all financial factors, such as revenues, expenditure, taxes, budgeting, and efficiency.
- **Regional Leadership** that addresses challenges that require regional cooperation, such as transportation and water. Regional leadership that is innovative, focuses on sustainability, and includes partnerships with educational institutions.

In October 2009 there was a follow-up session after a lapse of 14 (fourteen) months since the last session. A celebration of successes in the 5 (five) strategic initiatives of the cities was reviewed with a follow-up looking forward to the coming year. The Health, Education, Aviation and Tourism, also known as the H.E.A.T. Initiative and downtown were discussed.

The Council will continue to discuss and further refine the strategic initiatives. The goal is to have it completed in early 2010.

5. Presentation on Business Accelerator

Mr. Shea Joachim gave a presentation on the Business Accelerator also known as the Mesa Technology Accelerator. He explained what an incubator or accelerator actually does. It helps to have a concept of the various stages of business growth within an

accelerator. There are numerous thoughts on how businesses grow along with the various stages of business growth. There are 5 (five) stages:

- **Stage 1** is the ideation – idea stage and germination
- **Stage 2** is pre-revenue – R&D plan, market validation, legal structure, identify barriers to entry, business model, capital needs assessment, funding prep
- **Stage 3** is execution – R&D project management, business model deployment, resolve barriers to entry, staffing plan, sales and marketing plan, financial systems, partnerships and alliances, identification of advisors
- **Stage 4** is growth – management team, channel strategy deployment, implement funding strategy, operations infrastructure, financial model
- **Stage 5** is sustainable operation – sustainable process, refined business model, diversified management team, sales & marketing plan implemented, funded or operationally sound, facilities & infrastructure in place, sustainable

Mr. Joachim explained that the concept of a business incubation is to provide resources and support to entrepreneurs in order to help them survive the early stages of developing a business. The goal is to improve the success ratio of early stage businesses. He also explained the following themes of the business accelerators:

- Resources – accelerators provide resources and support to firms that they typically would be unable to attain or unwilling to acquire by themselves
- Social capital – accelerators provide information, access to contacts that allow firms to expand and succeed in the early stage
- Legitimacy – an accelerator focuses on having sound business practices, appropriate financial modeling and all the things that go into a quality business plan and quality business growth

The accelerators are an incredible economic engine by providing jobs, and tax revenue. The National Business Incubator Association (NBIA) claims that 87% of the businesses that graduate from various incubators and accelerators across the country remain in business after the first few stages of development.

The vision for this project is broad. The discussion is focused or framed on three things; Technology-Focused Accelerator; Proximity to the ASU Polytechnic Campus; and Regional and Institutional Partnerships. The leveraging of all interested parties including municipalities in the area, the private sector, and other educational institutions to make this a strong venture will determine the success of the accelerator.

In July of 2009 additional CDBG funds were available for the community to submit an application to attain. The funds provided an opportunity for Arizona State University's Technopolis Group to submit an application for funding to complete a business plan for the Mesa Technology Accelerator. The funding request was approved in October by the City Council. In December 2009 a contract was executed between ASU and Mesa's CDBG department.

The next steps are:

- ASU will conduct a feasibility analysis
- ASU will engage stakeholders in a series of focus meetings (both private & public sectors)
- ASU will deliver a business plan to the City of Mesa in February/March 2010

Once the Business Plan has been received and internal comments have been received then it will be brought to the EDAB board for comments/suggestions. After the EDAB, the plan will be considered by the City Council.

Mr. Steve Shope commented that he is working with the group from ASU on input for small businesses. One thing not mentioned and he felt was critical is the SBIR and STTR program, which is a multibillion dollar federal program for small businesses. It is an essential program. One thing lacking is that Arizona has no SBIR coordinating entity. Most states have a coordinator. The coordinators are a conduit between small business and the STTR program.

Mr. Jabjiniak commented that this is an accelerator and not an incubator. It is a niche and an initiative to focus on the small business community along with our strengths, technology, and the Gateway area. It is also important to look at the number of educational institutions that are starting to accumulate and to include everyone. The knowledge corridor that the Mayor speaks of in the Power Road area is important. Another area of concern is funding and construction, along with operating capital before waiting for the study to be completed. Scot Rigby has been researching the process to pursue Economic Development Association (EDA) money as a funding source as well.

6. Presentation on Branding Efforts

Mr. Scot Rigby gave a brief background for the decision to develop a brand for Mesa Office of Economic Development. Catapult Strategic Design was contracted and a Branding Workshop was held on July 9, 2009. Partners from targeted industries such as; Embraer, Cessna, Banner, Arizona Department of Commerce, ASU Poly, McMurry (tourism) and economic development staff were present. The result was a positioning statement created along with a timeline and additional deliverables to be determined.

In the branding process the following are established:

- A logo helps define the product, service, or industry in which it competes.
- Identity is the overall look and feel of one's brand. It is the personality of the marketing communications.
- Brand brings to mind that products are made in a factory, but brands are created in the mind.
- Marketing is a brand. Marketing is building one's brand in the mind of the customer.

Position versus Positioning is:

- A position is what a brand stands for in the mind of the consumer. It is user focused and what sets it apart from its competitors. It is brief, simple and single-minded.
- Since the City of Mesa is a well established brand it already carries a position or perception in the minds of some prospective locates as soon as they hear the name.
- Positioning is what we do to alter or reinforce a brand's position.

Smart Positioning:

- A means of communicating Mesa's strategy to internal and external audiences such as investors, partners, vendors, etc.

- A structured positioning development approach provides guidance in building and using the appropriate brand position.
- A beneficial approach in that; the position affects all marketing decisions for Mesa and it gives continuity to Mesa's marketing activities. It also provides a common, objective basis to evaluate all marketing ideas and programs.

The City of Mesa Economic Development Positioning Statement is:

- For decision-makers who seek a progressive, vibrant business climate, Mesa, Arizona is the Great-Phoenix location offering a pro-business team empowered to deliver solutions to grow your business.

Economic Development is in the process of developing new brochures in response to the Mayor's focus on Healthcare, Education, Aerospace and Tourism (H.E.A.T). The first brochure completed was in time for the October 2009 National Business Aviation Expo in Miami. This is the largest expo in the world and where all the major aviation companies present their wares. Large companies such as Boeing, Embraer, Cessna, Hawker Beechcraft, and Lockheed, participate in the expo.

The other brochures in Healthcare, Education and Tourism will follow at a later date.

7. Directors Report

Mr. Bill Jabjiniak reminded the Board of The Mayor's Breakfast scheduled for 7:30 a.m., Thursday, January 28, 2010 at the Phoenix/Mesa Hilton Hotel. He also encouraged the Subcommittees to meet and inquired if there were any changes requested. He also reminded the Subcommittees that public access to the meetings is important; agendas need to be posted, minutes taken, etc. Staff is willing to help in whatever way they can to assist.

He also suggested that the Board read the newsletter that was handed out. The front page article celebrated the 2009 successes and the Economic Development office was looking ahead to 2010.

8. GPEC Update

Chair LeCheminant commented that Mr. Brian Campbell was absent due to his Mother's passing. He asked Steve Shope to provide the update on GPEC.

Mr. Shope responded that he was unable to attend the last GPEC meeting and therefore unable to give an update.

Mr. Jabjiniak commented that he has been working with Barry Broome and his staff on pushing forward the Healthcare and Education Initiative.

9. Other Business

Mr. Rigby announced that in 26 (twenty-six) months 1 (one) million passengers passed through the Phoenix/Mesa Gateway Airport terminal. The next million passengers are

projected to pass through the terminal within 15 (fifteen) months. Allegiant is extremely happy in achieving the number.

Mr. Deaton requested that someone from the State come in and explain the new committee or group that Governor Brewer has recently appointed to create jobs.

Mr. Jabjiniak responded that he would find out the proper contact person for the State and arrange to have them give a presentation at the February EDAB meeting.

Chair LeCheminant reminded the EDAB members of the next scheduled meeting on February 2, 2010 to be held at the City of Mesa Council Chambers, Lower Level, 57 E. 1st Street, Mesa, Arizona 85201.

Ms. Terry Benelli asked if the Business Retention and Expansion report had been completed.

Ms. Lois Yates replied that the surveys had not been completed yet.

10. Adjournment

Chair LeCheminant adjourned the meeting at 8:31 a.m.

Submitted By:

William J. Jabjiniak
Economic Development Department Director
(Prepared by Betsy Adams)